

O/595/19

TRADE MARKS ACT 1994

**IN THE MATTER OF UK REGISTRATION NO. 3191927 BY
MOHAMMED GOUL ARSALAH
IN RESPECT OF THE TRADE MARK:**

pendine

IN CLASS 25

AND

**AN APPLICATION FOR A DECLARATION OF INVALIDITY
THEREOF UNDER NO. 502247 BY
SHAHID PARVAIZ**

Background and pleadings

1. The trade mark **pendine** was applied for on 18 October 2016 and entered onto the register on 13 January 2017. It stands in the name of Mohammed Goul Arsalah (“the registered proprietor”) and is registered in respect of the following goods:

Class 25

Clothing, footwear, headgear.

2. On 10 August 2018, Shahid Parvaiz (“the applicant”) applied under section 47 of the Trade Marks Act 1994 (“the Act”) for the trade mark registration to be declared invalid. The application is based on sections 5(2)(b) and 5(3) of the Act. The applicant is relying upon its UK trade mark number 2602088: **pendeen**. The mark was filed on 22 November 2011 and has a registration date of 11 May 2012. It is registered for the following goods:

Class 24

Textiles and textile goods; bed and table covers; travellers’ rugs; textiles for making articles of clothing; duvets; covers for pillows, cushions or duvets.

Class 25

Clothing, footwear, headgear.

The applicant is relying upon *clothing such as thermals, polo shirts, vests and string vests* in Class 25, and is seeking a declaration of invalidity of the contested mark for all the goods for which it stands registered.

3. Under section 5(2)(b), the applicant claims that the marks are similar and that the goods are identical or similar, and that consumers are confused about the origin of the goods. Under section 5(3), the applicant claims that it has a reputation for goods in Class 25, specifically thermals, vests, string vests and polo shirts.
4. The registered proprietor filed a counterstatement denying the claims made. It admits that its goods are *prima facie* identical to the applicant’s Class 25 goods

and puts the applicant to proof of use of its mark in relation to *Clothing, including/in particular thermals, polo shirts, vests and string vests.*

5. Both the applicant and the registered proprietor filed evidence in these proceedings. This will be summarised to the extent that is considered necessary.
6. The registered proprietor filed submissions on 14 May 2019. Neither party requested a hearing and on 22 July 2019 the registered proprietor filed written submissions in lieu of a hearing. This decision has been taken following a careful consideration of the papers.
7. In these proceedings the applicant is represented by Orwell Solicitors and the registered proprietor by Jonathan Linn Intellectual Property.

Preliminary issue

8. The registered proprietor denies that the applicant's mark can form a valid basis for a declaration of invalidity, because, it claims, the application for that mark was made in bad faith and therefore was contrary to section 3(6) of the Act. The registered proprietor alleges that Mr Parvaiz was not the true proprietor of the mark **PENDEEN** in the UK at the time the application was made.
9. A registered trade mark is assumed to be valid, unless it is found to be invalid. Rule 41(1) of the Trade Marks Rules 2008 (SI 2008 No. 2300) (as amended) states that:

“An application to the registrar for a declaration of invalidity under section 47 shall be filed on Form TM26(I) and shall include a statement of the grounds on which the application is made and be accompanied by a statement of truth.”
10. In the absence of such an application, I dismiss the counterclaim made under section 3(6).

Evidence

Applicant's Evidence

11. The applicant's evidence comes from Mr Parvaiz, the director of UK Garment Limited and the registered proprietor of the earlier mark. His witness statement is dated 14 March 2019.
12. In paragraph 2 of his statement, Mr Parvaiz says that he first used the earlier mark in the UK in 2012. However, in the following paragraph, he states that the mark was first used in the UK in 2003 on

“string vests, white vests, mesh vests, thermal long john, fleece jogging bottoms, fleece hoods, fleece sweatshirts, men's polo shirts, men's shirts, men's shorts, etc”.
13. Annual sales of goods in Classes 24 and 25 were as follows: £11,950 (2012), £13,240 (2013), £15,260 (2014), £30,900 (2015), £40,650 (2016), £29,050 (2017), £19,250 (2018). Mr Parvaiz also provides figures for the amount spent on promoting the goods during this period: £780 (2012), £920 (2013), £980 (2014), £1100 (2015), £1220 (2016), £1310 (2017) and £1320 (2018).
14. Mr Parvaiz states that the mark is well-known to the general public and buyers and users of the Class 24 and Class 25 goods, and is uniquely associated with his company.
15. Attached to the witness statement are four further witness statements from business customers.¹ These statements are worded identically. All the witnesses say that they have bought “huge bulks” of the goods listed in paragraph [12] of this decision “for a very long time now”.² They all add that the number of items they ordered decreased when the registered proprietor entered the market, as he was

¹ Exhibits SP1-SP4.

² Paragraphs 3 and 2 respectively.

selling similar goods at a lower price. The witnesses note that the quality of the registered proprietor's goods is lower than that of the applicant's, but that their customers buy the cheaper goods and are confused as to their origin. Each says he has suffered a loss of business through this confusion and no longer buys any goods bearing the applicant's mark.

16. Exhibit SP5 contains a UK design registration certificate for a String Vest Insert Card with an image of the card.
17. Exhibit SP6 is a set of invoices from Opal Graphics, a company based in Faisalabad, Pakistan. The goods ordered are described as "Advertising flexes pendeen (PENDEEN CARD)"³ and the invoices are dated 2 February 2012, 6 March 2013, 1 April 2014, 20 January 2015, 12 January 2016, 1 January 2017 and 14 January 2018. Mr Parvaiz explains that prices are shown in Pakistani rupees.

Registered Proprietor's Evidence

18. The registered proprietor's evidence comes from Mr Arsalah. His witness statement is dated 13 May 2019. The evidence is directed towards the section 3(6) claim that I have already dismissed. Therefore I shall not summarise it here.

Legislation

19. Section 47 of the Act states that:

"(2) The registration of a trade mark may be declared invalid on the ground –

(a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or

³ On some of the invoices this appears as "flexes".

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) The registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c).

...

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made:

Provided that this shall not affect transactions past and closed.”

Proof of Use

20. The earlier mark had been registered for more than five years on the date on which the application for invalidation was made. It is, therefore, subject to the proof of use provisions under sections 47(2A)-(2E) of the Act, and the registered proprietor

has requested such proof for goods in Class 25. The applicant has made a statement that it has made genuine use of the mark in the UK, in the relevant period for all the goods upon which it is relying. The relevant period for these purposes is the five years ending with the date of application for the declaration of invalidity: 11 August 2013 to 10 August 2018.

21. The case law on genuine use was summarised by Arnold J in *Walton International Limited v Verweij Fashion BV* [2018] EWHC 1608 (Ch):

“114. *The law with respect to genuine use.* The CJEU has considered what amounts to ‘genuine use’ of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundersvereinigung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816] [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

- (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].
- (2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul*

at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

- (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].
- (4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].
- (5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].
- (6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the

economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [132].”

22. The onus is on the proprietor of the earlier mark to show use. Section 100 of the Act states that:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

23. The registered proprietor submits that the applicant has not demonstrated genuine use of the mark on, or in connection with, the goods on which it seeks to rely. I agree that it is not clear what goods may have been sold under the mark. The only

image that the applicant has provided is the design registration, and this does not show presence on the market. The sales figures are not sufficiently detailed. Mr Parvaiz notes that they refer to sales of goods in Classes 24 and 25, rather than the goods on which it is relying that are sold under the mark in the UK. The invoices in Exhibit SP6 do not help the applicant's case either. It is not entirely clear what is meant by "advertising flexes" or "flexes". Even if it were, there is no indication of the goods or services that were advertised using these products, or where this occurred. The items were sourced from Pakistan and there is no evidence at all to show whether they even entered the UK. Consequently, I find that the applicant has failed to demonstrate genuine use of the mark and so may not rely on the goods for which it is registered. It follows from this that the application a declaration of invalidity on both section 5(2)(b) and 5(3) grounds fails.

Conclusion

24. The application for a declaration of invalidity has failed. The contested mark will remain registered in respect of all the goods in its specification.

Costs

25. The proprietor has been successful. It is entitled to a contribution towards its costs in line with the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the proprietor the sum of £700 as a contribution towards its costs. In calculating this award, I have taken account of the fact that a substantial part of the counterstatement and evidence of the registered proprietor concerned the dismissed section 3(6) claim. I have also not awarded any costs towards the preparation of written submissions in lieu of a hearing, as the registered proprietor's submissions merely confirmed that it maintained and reiterated all the submissions it had previously made. The sum is calculated as follows:

Preparing a statement and considering the other side's statement: £200

Preparing evidence and considering the other side's evidence: £500

Total: £700

26. I therefore order Mr Shahid Parvaiz to pay Mr Mohammed Goul Arsalah the sum of £700. The above sum should be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

4 October 2019

**Clare Boucher
For the Registrar,
Comptroller-General**